## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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# SECRET SECURITY INFORMATION

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The efficiency formerly found at some offices, e.g., food supply, textiles and fuel, has disappeared. The few really capable German administrators still living in the Soviet Zone are afraid of accepting responsible positions. These people are inwardly and outwardly opposed to the Soviet system. Several years will undoubtedly pass before the young people have been trained. Only then can there be a general improvement—if it is not too late.

## STEELY

The supply situation is desperate. Since November 1952, only the retail stores of large factories receive butter, and very little at that.

The 20 stores no longer carry butter. Rationing is still in effect in large cities. In the rural areas and in small towns where there is no industry, the conditions may be compared to those existing in 1945-46. The stores are empty. The few articles for sale, leather goods, textiles, and household articles, are of the poorest quality and very expensive. The population is fully aware of the reasons for these conditions,

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- a. Large-scale exports of the current production to the USSR,
- b. A large part of the food produce is put in storage as strategic reserve.
- c. The constantly increasing number of Soviet troops and the ever-increasing number of police units which have to be fed.
- d. The administrative situation.
- e. The policy of establishing collective farms. This policy has been pursued especially in the rural areas since the fall of 1952 and has upset the entire administration. Great masses of farmers are leaving their homes and flee-ing to West Berlin with their families. Much of the crop was not brought in; potatoes and beets were left in the ground. There was little soil cultivation, no winter feed for the cattle, and a lot of breeding stock had to be slaughtered. Only by facing great deprivation can the harvest for June 1953 be brought in.

The evacuation of entire villages carries with it a great danger. New people will most likely be brought in from the East, (the USSR, Poland), so that the German population is systematically being undermined.

#### REARMAMENT

- 4. Since November 1952, rearmament in the Soviet Zone of Germany has been carried out along the following lines:
  - New military ranks were introduced, patterned after the Soviet system.
  - b. New articles, also patterned after Soviet military law, have been written into the penal code.
  - c. Hundreds of young people (born between 1935 and 1937) are conscripted daily in Berlin and sent to various garrisons.

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- d. Police officials whose term of office has expired are not retired.
- Uniform arming with Soviet firearms and heavy weapons was carried out.
- f. Large numbers of Soviet officers are assigned to the units.
- g. New officers are being recruited on the basis of military and technical qualifications. The so-called political officers are being used as political commissars only; the unqualified are being dismissed. Since there is as yet no draft, the call for more non-commissioned and commissioned officers has not had much response. It is anticipated that, as soon as the European Defense Agreements have been signed, compulsory military service will be introduced in the Saviet Zone of Germany. The officers needed will then be available.
- h. Casernes converted into living quarters are being cleared of their inhabitants, and officially returned to their original purpose. Throughout the Zone, military accommodations and airfields are being built and the highways repaired. Bridges are being strengthened to carry loads of up to 70 tons.
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  | rearmament in the Soviet Zone of Germany has progressed considerably. Formal justification alone is needed to promulgate a draft law. The value of a Soviet Zone Army should not be underrated; generally speaking, the army equipment which I saw was modern and of good quality. After the recruits have been instilled with communist ideals for a few more years, they will certainly be good soldiers. It goes without saying, however, that these troops can never be used against West Germans because of nationalistic ties which still exist. The technical troops are inferior, especially in the naval and engineer units, which lack modern equipment and capable instructors. In this respect, efficiency of the troops in the Soviet Zone of Germany has not nearly reached that of the West.

#### INDUSTRIAL PRODUCTION

- 6. In the workshops and factories a complete new order based on the Soviet pattern has been introduced. Faithful members of the SED have been placed in all positions—down to shop foremen. Fear of Western saboteurs dominates everything. Heavily armed plant police (some armed with carbines) guard all entrances and patrol the plant area. Although the extent of industrial output (most of which goes to the USSR) is remarkable, there is still a considerable lag compared to West German production. The materials which are used are seldom of high quality, and the quality of the work also leaves much to be desired. Quantity is the chief objective, as it is in the USSR.
- 7. The workers still cannot get used to the Soviet system of norms, although the younger generation readily absorbed the idea. On pay days it often happens that despite their first-rate work, older and experienced industrial workers get less pay than the young ones whose only interest is speed. I believe that these young people will never be professionally competent if they continue to work under these conditions for a few more years.

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8. Although every effort is being made to win over the German workers by constant propaganda and other means, this attempt is doomed to failure. Great difficulties are encountered in raising a new generation of engineers. The older experts continue to flee to the West, thus creating a shortage of engineers and teachers.

### PRIVATE LIFE

- 9. Considerable effort is made to gain control over family life. Privacy in correspondence no longer exists. People under suspicion from the SSD are watched constantly. The chauffeurs of all executives are almost without exception in the service of the SSD.
- 10. By appointing "house supervisors" and introducing "visitor's books" for every house, the same atmosphere has been created as existed under Hitler. The supervisors check as far as possible who enters the house. It is important to them to know everyone who listens to Western radio stations.
- 11. Movies and theaters are of no particular interest to most Germans since only Russian plays are performed. Strong anti-Americanism pervades all fields of entertainment. Except for followers of the party line, no books by German authors are being published. Russian books are readily available. In the schools German history is deliberately being ignored; the aim is to teach the youth the Soviet way of thinking. Progress has been made in that direction, and I feel that a well-planned counter offensive should be organized by the West.

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